

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact § 58.1-3506 of the Code of Virginia, relating to classifications of tangible personal property for taxation.*

[H 1752]

Approved

**Be it enacted by the General Assembly of Virginia:**

**1. That § 58.1-3506 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-3506. Other classifications of tangible personal property for taxation.

A. The items of property set forth below are each declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property provided in this chapter:

1. Boats or watercraft weighing five tons or more;

2. Aircraft having a maximum passenger seating capacity of no more than fifty which are owned and operated by scheduled air carriers operating under certificates of public convenience and necessity issued by the State Corporation Commission or the Civil Aeronautics Board;

3. All other aircraft not included in subdivision A 2 and flight simulators;

4. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation purposes as provided in subsection C of § 46.2-730;

5. Tangible personal property used in a research and development business;

6. Heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting equipment and ditch and other types of diggers;

7. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any other alternative energy source for use in manufacturing and any cogeneration equipment purchased to achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment shall include, without limitation, such equipment purchased by firms engaged in the business of generating electricity or steam, or both;

8. Vehicles without motive power, used or designed to be used as manufactured homes as defined in § 36-85.3;

9. Computer hardware used by businesses primarily engaged in providing data processing services to other nonrelated or nonaffiliated businesses;

10. Privately owned pleasure boats and watercraft, eighteen feet and over, used for recreational purposes only;

11. Privately owned vans with a seating capacity for twelve or more persons used exclusively pursuant to a ridesharing arrangement as defined in § 46.2-1400;

12. Motor vehicles specially equipped to provide transportation for physically handicapped individuals;

13. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is owned by each volunteer rescue squad member or volunteer fire department member, or leased by each volunteer rescue squad member or volunteer fire department member if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle, may be specially classified under this section, provided the volunteer rescue squad member or volunteer fire department member regularly responds to emergency calls. The volunteer shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief or head of the volunteer organization, that the volunteer is a member of the volunteer rescue squad or fire department who regularly responds to calls or regularly performs other duties for the rescue squad or fire department, and the motor vehicle owned or leased by the volunteer rescue squad member or volunteer fire department member is identified. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline. In any county which prorates the assessment of tangible personal property pursuant to § 58.1-3516, a replacement vehicle may be certified and classified pursuant to this subsection when the vehicle certified as of the immediately

57 prior January date is transferred during the tax year;

58 14. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire  
59 department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department  
60 if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor  
61 vehicle. One motor vehicle which is regularly used by each auxiliary volunteer fire department or rescue  
62 squad member may be specially classified under this section. The auxiliary member shall furnish the  
63 commissioner of revenue, or other assessing officer, with a certification by the chief or head of the  
64 volunteer organization, that the volunteer is an auxiliary member of the volunteer rescue squad or fire  
65 department who regularly performs duties for the rescue squad or fire department, and the motor vehicle  
66 is identified as regularly used for such purpose; however, if a volunteer rescue squad or fire department  
67 member and an auxiliary member are members of the same household, that household shall be allowed  
68 only one special classification under this subdivision or subdivision 13 of this section. The certification  
69 shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer;  
70 however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion,  
71 and for good cause shown and without fault on the part of the member, to accept a certification after the  
72 January 31 deadline;

73 15. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound  
74 persons or provide transportation to senior or handicapped citizens in the community to carry out the  
75 purposes of the nonprofit organization;

76 16. Privately owned camping trailers as defined in § 46.2-100, and privately owned travel trailers as  
77 defined in § 46.2-1900, which are used for recreational purposes only;

78 17. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of,  
79 one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as  
80 certified by the Department of Veterans' Affairs. In order to qualify, the veteran shall provide a written  
81 statement to the commissioner of revenue or other assessing officer from the Department of Veterans'  
82 Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to  
83 meet the requirements of this section, and that his disability is service-connected. For purposes of this  
84 section, a person is blind if he meets the provisions of § 46.2-739;

85 18. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police  
86 officers pursuant to Article 3 (§ 15.2-1731 et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons  
87 who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms  
88 of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle which is  
89 regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially  
90 classified under this section. In order to qualify for such classification, any auxiliary police officer who  
91 applies for such classification shall identify the vehicle for which this classification is sought, and shall  
92 furnish the commissioner of revenue or other assessing officer with a certification from the governing  
93 body which has appointed such auxiliary police officer or from the official who has appointed such  
94 auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who  
95 regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for  
96 which the classification is sought is the vehicle which is regularly used for that purpose. The  
97 certification shall be submitted by January 31 of each year to the commissioner of revenue or other  
98 assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in  
99 his discretion, and for good cause shown and without fault on the part of the member, to accept a  
100 certification after the January 31 deadline;

101 19. Until the first to occur of June 30, 2009, or the date that a special improvements tax is no longer  
102 levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created  
103 pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in  
104 manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District,  
105 provided that such business personal property is put into service within the District on or after July 1,  
106 1999;

107 20. Motor vehicles which use clean special fuels as defined in § 58.1-2101;

108 21. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility which is  
109 properly licensed by the federal government, the Commonwealth, or both, and which is properly zoned  
110 for such use. "Wild animals" means any animals which are found in the wild, or in a wild state, within  
111 the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals  
112 which are found in the wild, or in a wild state, and are native to a foreign country;

113 22. Furniture, office, and maintenance equipment, exclusive of motor vehicles, which are owned and  
114 used by an organization whose real property is assessed in accordance with § 58.1-3284.1 and which is  
115 used by that organization for the purpose of maintaining or using the open or common space within a  
116 residential development;

117 23. Motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more

118 used to transport property for hire by a motor carrier engaged in interstate commerce;  
119 24. All tangible personal property employed in a trade or business other than that described in  
120 subdivisions A 1 through A 18, except for subdivision A 17, of § 58.1-3503;  
121 25. Programmable computer equipment and peripherals employed in a trade or business;  
122 26. Privately owned pleasure boats and watercraft, motorized and under eighteen feet, used for  
123 recreational purposes only;  
124 27. Privately owned pleasure boats and watercraft, nonmotorized and under eighteen feet, used for  
125 recreational purposes only;  
126 28. Privately owned motor homes as defined in § 46.2-100 that are used for recreational purposes  
127 only; and  
128 29. Tangible personal property used in the provision of Internet services. For purposes of this  
129 subdivision, "Internet service" means a service, including an Internet Web-hosting service, that enables  
130 users to access content, information, electronic mail, and the Internet as part of a package of services  
131 sold to customers; and  
132 30. *Motor vehicles (i) owned by persons who serve as auxiliary, reserve or special deputy sheriffs or*  
133 *(ii) leased by persons who serve as auxiliary, reserve or special deputy sheriffs if the person is*  
134 *obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. For*  
135 *purposes of this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve or special*  
136 *deputy sheriff. One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to*  
137 *auxiliary deputy sheriff duties may be specially classified under this section. In order to qualify for such*  
138 *classification, any auxiliary deputy sheriff who applies for such classification shall identify the vehicle*  
139 *for which this classification is sought, and shall furnish the commissioner of revenue or other assessing*  
140 *officer with a certification from the governing body that has appointed such auxiliary deputy sheriff or*  
141 *from the official who has appointed such auxiliary deputy sheriff. That certification shall state that the*  
142 *applicant is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary*  
143 *duties, and it shall state that the vehicle for which the classification is sought is the vehicle that is*  
144 *regularly used for that purpose. The certification shall be submitted by January 31 of each year to the*  
145 *commissioner of revenue or other assessing officer; however, the commissioner of revenue or other*  
146 *assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on*  
147 *the part of the member, to accept a certification after the January 31 deadline.*  
148 B. The governing body of any county, city or town may levy a tax on the property enumerated in  
149 subsection A at different rates from the tax levied on other tangible personal property. The rates of tax  
150 and the rates of assessment shall (i) for purposes of subdivisions 1, 2, 3, 4, 6, 9 through 18, 20 through  
151 22, and 24 through 29 30 of subsection A, not exceed that applicable to the general class of tangible  
152 personal property, (ii) for purposes of subdivisions A 5, A 7, A 19, and A 23, not exceed that applicable  
153 to machinery and tools, and (iii) for purposes of subdivision A 8, equal that applicable to real property.